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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/087,339	03/01/2002	Allan N. Weiss	CSSK-020CP3	5050

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EXAMINER
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VAN BRAMER, JOHN W

ART UNIT	PAPER NUMBER
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3622

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06/27/2007

PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	Application No. 10/087,339	Applicant(s) WEISS, ALLAN N.	
	Examiner John Van Bramer	Art Unit 3622	

**-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --**

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 01 March 2002.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-56 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-56 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)  | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)   | 5) <input type="checkbox"/> Notice of Informal Patent Application                       |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)<br>Paper No(s)/Mail Date <u>41202,102902,12902,3503</u> . | 6) <input checked="" type="checkbox"/> Other: <u>IDS:121205,51906</u> .                 |

## DETAILED ACTION

### ***Claim Rejections - 35 USC § 112***

1. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

2. Claims 1, 18, 39, 49, 55, and 56 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Claims 1, 18, 39, 49, 55, and 56 recite "defining a first set of shares representing claims on a first subset of said proxy assets" and "defining a second set of shares representing claims on a second subset of proxy assets". The two defined sets are further characterized as experiencing an increase in value as a function of a positive or negative change in one or more indices. Since there is no requirement that the same indices be used to measure the claimed positive or negative movement in the first or second subset it is unclear as to whether any limitations are intended to be imposed by the "wherein" clauses. It is also unclear as to how the proposed positive or negative movement can be guaranteed when both systematic and unsystematic risk are taken into account. A beta and correlation coefficient can be determined between a corporate stock and a market index, which represent a historical guide to the manner in which the stock's price has reacted in relationship to the market index. However, this does not guarantee that a stock with a beta of 1 or -1 will increase or decrease respectively when the market index increases or decreases. It is merely a guide as

to how the stock price has move relative to the market index in the past.

Alternatively, the applicant may be intending to claim a hedging position where two positions are held in the same indices such as ownership of pork bellies and selling futures in pork bellies then a relationship must be claimed between the two indices. Furthermore, the claimed step of offering is indefinite. The examiner is unsure as to whether the offering is intended to be an offer to purchase the first set of shares and second said of shares for inclusion in the proxy asset set, or alternatively, the owner of the proxy asset set is able to sell some share from one or both of the first set of shares and second set of shares to another individual. For the purpose of prosecution the examiner is going to consider the claim to intend a hedging relationship between the first set of asset shares and the second set of asset shares.

3. Claims 2 and 19 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Claims 2 and 19 recite "the issuer has substantially the same number of shares". The term substantially is indefinite. The examiner is unable to locate in the specification an example of a range that the applicant is imposing by the limitation.
4. Claims 4, 21, 36, 37, 38, 41, 42, 46-48 and 52 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claims 4, 21, 36, 37, 38, 41, 42, 46-48 and 52 recite offering, "at least some" shares and/or offering "some" shares. The terms "at least some" and "some" are indefinite. The examiner is unable to find in the specification any indication of the applicants intent with regard to the range indicated by the terms "at least some" and "some" used in the claims. For the purpose of prosecuting the claim the examiner has interpreted both these terms to mean "one or more shares".

5. Claims 4, 12, 21, and 29 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. The claims recite that the offering, issuing and/or redeeming of the first set and second set of shares are performed at "different times". The term "different times" is indefinite. The examiner is unable to find any indication in the specification that provides a range of times for which the applicant is claiming. For purpose of prosecuting the claims the examiner is interpreting the range of different times to be anywhere from a minimum differential of nanoseconds to a maximum differential of years.

6. Claims 5 and 22 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Claims 5 and 22 recites the phrases "at least partly collateralized" and "relatively stable securities". These terms are indefinite and the examiner has found no indication in the applicant's

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specification regarding the exact meaning of the intended metes and bounds imposed by the limitation. For the purpose of prosecuting the application the examiner has interpreted the claim to mean that the resource pool has at least one tradable security.

7. Claims 13 and 30 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. The claims recites the phrase "threshold value". Since the examiner can find neither an indication in the specification that defines the range of the threshold, nor an indication in the specification that defines the specific metes and bounds intended by the term "threshold value" the term is considered indefinite. For purpose of prosecution of the claim, the examiner has interpreted this threshold values to be price differentials such as those used in arbitrage trades.

***Claim Rejections - 35 USC § 102***

8. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

9. Claims 1-56 are rejected under 35 U.S.C. 102(b) as being anticipated by Mayo ("Investments, An Introduction", Fourth Edition, The Dryden Press, ISBN: 0-03-097647-2, 1993, pgs 521-627).

Claims 1, 18, 55, and 56: Mayo discloses a method and system of providing shares in a proxy asset set, each proxy asset in said proxy asset set having a proxy asset account value, said method comprising:

- a. Defining a proxy asset set account value equal to the sum of the account values of all proxy assets in said proxy asset set, including constraining said proxy asset set account value by a value of a resource pool. (Page 601, Paragraphs 4 through 6)
- b. Defining a first set of shares representing claims on a first subset of said proxy assets, wherein said first set of shares experience an increase in value as a function of a positive change in one or more indices. (Page 601, Paragraphs 4 through 6)
- c. Defining a second set of shares representing claims on a second subset of proxy assets, wherein said second set of shares experience an increase in value as a function of a negative change in said one or more indices. (Page 601, Paragraphs 4 through 6)
- d. Shifting value between said first set of shares and said second set of shares as a function of a change in the one or more indices. (Page 601, Paragraphs 4 through 6)

- e. Offering said first set of shares and said second set of shares, wherein at least some shares from one or both of said first set of shares and said second set of shares may be procured, without a requirement of procuring sets of shares comprised of shares from said first set of shares and said second set of shares.  
(Page 599, Paragraph 1 through Page 600, Paragraph 2)

Claims 2 and 19: Mayo discloses a method and system as in claims 1 and 18 respectively, wherein at least one issuer does said offering and the issuer has substantially the same number of shares from said first set of shares and said second set of shares. (Page 601, Paragraphs 2 and 3)

Claims 3 and 20: Mayo discloses a method and system as in claims 2 and 19 respectively, wherein said shifting is controlled by said issuer. (Page 601, Paragraphs 4 through 6)

Claims 4 and 21: Mayo discloses a method and system as in claims 1 and 18 respectively, wherein said offering includes offering at least some shares from said first set of shares and some shares from said second set of shares at different times.  
(Page 601, Paragraphs 4 through 6)

Claims 5 and 22: Mayo discloses a method and system as in claims 1 and 18 respectively, wherein said resource pool is at least partly collateralized with relatively



stable securities. (Page 601, Paragraphs 4 through 6)

Claims 6 and 23: Mayo discloses a method and system as in claims 1 and 18 respectively 1, wherein said proxy assets represent claims on one or more foreign or domestic liquid or illiquid assets or proxy assets, such as assets chosen from a group of assets comprising stocks, bonds, mutual funds, groups of stocks, accounts, real property, personal property, and one or more streams of income from one or more corporations, partnerships, joint ventures, sole proprietorships, individuals, trusts, estates, or contracts. (Page 601, Paragraphs 4 through 6)

Claims 7 and 24: Mayo discloses a method and system as in claims 1 and 18 respectively, wherein said proxy assets represent one or more underlying assets represented by said one or more indices. (Page 601, Paragraphs 4 through 6)

Claims 8 and 25: Mayo discloses a method and system as in claims 1 and 18 respectively, wherein at least one index from said one or more indices represents a composite index chosen from a group comprising: 1) NASDAQ; 2) S & P 500; 3) Dow Jones Industrial Average; 4) NYSE Composite; and 5) Nikkei. (Page 601, Paragraphs 4 through 6)

Claims 9 and 26: Mayo discloses a method and system as in claims 1 and 18 respectively, wherein at least one index from said one or more indices is weighted.

(Page 601, Paragraphs 4 through 6)

Claims 10 and 27: Mayo discloses a method and system as in claims 1 and 18 respectively, wherein said offering includes offering by a plurality of issuers. (Page 601, Paragraphs 2 and 3)

Claims 11 and 28: Mayo discloses a method and system as in claims 1 and 18 respectively, wherein said proxy asset set includes a plurality of types of proxy assets, wherein each type of proxy asset represents one or more different liquid or illiquid assets. (Page 601, Paragraphs 4 through 6)

Claims 12 and 29: Mayo discloses a method and system as in claims 1 and 18 respectively, wherein shares from said first set of shares and shares from said second set of shares may be issued and redeemed at different times. (Page 601, Paragraphs 4 through 6)

Claims 13 and 30: Mayo discloses a method and system as in claims 1 and 18 respectively, wherein shares from said first set of shares and shares from said second set of shares are offered as a function of one or more conditions, including at least one of the value of the resource pool reaching a threshold value, the value of the one or more indices reaching a threshold value, the value of at least one of the first set of shares and said second set of shares reaching a threshold value. (Page

601, Paragraphs 4 through 6)

Claims 14 and 31: Mayo discloses a method and system as in claims 1 and 18 respectively, wherein said offering includes offering shares from at least one of said first set of shares and said second set of shares on an exchange. (Page 601, Paragraphs 4 through 6)

Claims 15 and 32: Mayo discloses a method and system as in claims 1 and 18 respectively, wherein said offering includes offering by an issuer to an investor shares from one of said first set of shares or said second set of shares in accordance with an agreement imposing conditions on at least one of said shifting or on a distribution to said investor as a function of a value of said available shares. (Page 601, Paragraphs 4 through 6)

Claims 16 and 33: Mayo discloses a method and system as in claims 1 and 18 respectively, further comprising: F. terminating the offering shares from at least one of said first set of shares and said second set of shares as a function of a triggering event, wherein said triggering event is chosen from a group of events comprising: 1) a termination of a predetermined period of time; 2) a value variation in said set of indices; 3) a change in rate of return of said proxy asset shares; 4) a change in a set of one or more economic indicators; 5) a change in level of risk reward; 6) a change in the value of the resource pool; and 7) a change in the prime lending rate. (Page

601, Paragraphs 4 through 6)

Claims 17 and 34: Mayo discloses a method and system as in claims 1 and 18 respectively, further comprising: F. adjusting the value of said resource pool as a function of a triggering event, wherein said triggering event is chosen from a group of events comprising: 1) a termination of a predetermined period of time; 2) adding or deleting an index from said set of indices; 3) a value variation in said set of indices; 4) a change in a set of one or more economic indicators; 5) a change in a level of risk reward; and 6) a change in the prime lending rate. (Page 601, Paragraphs 4 through 6)

Claims 35 and 45: Mayo discloses a method and system for providing a proxy asset set of two or more proxy assets that responds to a set of one or more indices, each proxy asset of the proxy assets set having a proxy asset account value and a number of proxy asset shares representing equal claims on the proxy asset account value, the proxy asset set having a total number of shares equal to a sum over all the number of proxy asset shares in the proxy assets set and having a proxy assets set account value equal to a sum over all the proxy asset account values of the proxy assets set, the method comprising:

- a. Defining a proxy asset account value with a predetermined account formula responsive to at least one corresponding index of the set of one or more indices, herein said one or more indices includes at least one of an index that represents

one or more corporate stocks, mutual funds, proxy assets, or a composite index chosen from a group of indices derived from or comprising one or more of the: 1) NASDAQ; 2) S & P 500; 3) Dow Jones Industrial Average; 4) NYSE Composite; and 5) Nikkei. (Page 601, Paragraphs 4 through 6)

b. Constraining the proxy assets set account value by a value of a resources pool.

(Page 601, Paragraphs 4 through 6)

c. Reevaluating the proxy asset account value according to the account formula

upon occurrence of each event of a plurality of predetermined events. (Page 601, Paragraphs 4 through 6)

Claims 36, 46 and 47: Mayo discloses the method and system of claims 35 and 45 respectively, further comprising: D. offering at least some of said proxy assets shares for public or private trading. (Page 601, Paragraphs 4 through 6)

Claim 37: Mayo discloses the method of claim 35, further comprising: D. offering at least some of said proxy assets shares on an exchange. (Page 601, Paragraphs 4 through 6)

Claims 38 and 48: Mayo discloses the method and system of claims 35 and 45 respectively, further comprising: D. trading at least some of said proxy asset shares. (Page 601, Paragraphs 4 through 6)

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Claims 39 and 49: Mayo disclose the method and system of claims 35 and 45 respectively, further comprising: D. forming, from said proxy asset shares, a first set of shares configured to experience an increase in value as a function of a positive change in said set of indices; and E. forming, from said proxy asset shares, a second set of shares configured to experience an increase in value as a function of a negative change in said set of indices. (Page 601, Paragraphs 4 through 6)

Claims 40 and 50: Mayo discloses the method and system of claims 39 and 49 respectively, further comprising: F. shifting value between said first set of shares and said second set of shares. (Page 601, Paragraphs 4 through 6)

Claims 41 and 51: Mayo discloses the method and system of claims 35 and 45 respectively, further comprising: D. redeeming at least some of said proxy asset shares. (Page 601, Paragraphs 4 through 6)

Claims 42 and 52: Mayo discloses the method and system of claims 35 and 45 respectively, further comprising: D. offering at least some of said proxy asset shares; and E. terminating the offering of said proxy asset shares as a function of a triggering event, wherein said triggering event is chosen from a group of events comprising: 1) a termination of a predetermined period of time; 2) a value variation in said set of indices; 3) a change in rate of return of said proxy asset shares; 4) a change in a set of one or more economic indicators; 5) a change in level of risk

reward; 6) a change in the value of the resource pool; and 7) a change in the prime lending rate. (Page 601, Paragraphs 4 through 6)

Claims 43 and 53: Mayo discloses the method and system of claims 35 and 45 respectively, further comprising: D. adjusting the value of said resource pool as a function of a triggering event, wherein said triggering event is chosen from a group of events comprising: 1) a termination of a predetermined period of time; 2) adding or deleting an index from said set of indices; 3) a value variation in said set of indices; 4) a change in a set of one or more economic indicators; 5) a change in a level of risk reward; and 6) a change in the prime lending rate. (Page 601, Paragraphs 4 through 6)

Claims 44 and 54: Mayo discloses the method and system of claims 35 and 45 respectively, wherein the account formula includes a leverage factor, and wherein said leverage factor is applied to weight one or more of said set of indices. (Page 601, Paragraphs 4 through 6)

### ***Conclusion***

10. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.
  - a. Case et al. ("Index-Based Futures and Options Trading in Real Estate", *Journal of Portfolio Management* (winter 1993), which discloses similar methodology and

systems as those presented in the claims, but is more narrowly focused than the prior art reference used in the rejection.

- b. Athanasoulis ("Essays in the analysis of assets markets, derivatives design, international risk sharing and macroeconomic policy" Ph.D. Dissertation, Yale University, 1995, 210 pages, AAT 9615433), which discloses similar methodology and systems as those presented in the claims, but is more narrowly focused than the prior art reference used in the rejection.

- 11. Any inquiry concerning this communication or earlier communications from the examiner should be directed to John Van Bramer whose telephone number is (571) 272-8198. The examiner can normally be reached on 6am - 4pm Monday through Thursday.


If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber can be reached on (571) 272-6724. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.



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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

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**ERIC W. STAMBER**  
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